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SC# 00915/56

8 - FEB 1956

MEMORANDUM FOR: Assistant Director, Scientific Intelligence

SUBJECT: Memorandum on Budget Allocations to Soviet Atomic Energy Program

1. At the informal request on 7 February of the Office of Scientific Intelligence, the attached memorandum on budget allocations to the Soviet atomic energy program was prepared for use in the OSI contribution to the Atomic Energy Subcommittee of the IAC.



OTTO E. GUTHRIE
Assistant Director
Research and Reports

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**Memorandum on Budget Allocations
to the Soviet Atomic Energy Program**

Budget analysis does not provide a basis for estimating total Soviet atomic energy expenditures or even trends in these expenditures. Information regarding atomic energy allocations in the Soviet budget

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Analysis of these categories in the published budgets for 1955 and 1956 is complicated by changes in the expenditure pattern and by reduced detail in the budget presentation.

In the published 1955 budget there was a decline, compared with 1954, of approximately 18 billion rubles in the unidentified or residual subcategory of the budget expenditure category, "Financing the National Economy." Non-investment allocations to heavy industry rose by about the same amount, implying a reclassification or "shift" of expenditures. This interpretation is partially

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in 1955 at least one atomic energy activity previously financed under the residual subcategory began to receive funds under the heavy industry subcategory. However, all other atomic energy allocations observed in 1955 continued under the residual subcategory.

From the fragmentary evidence, it cannot be concluded that the entire sum of 18 billion rubles which apparently "shifted"

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in 1955 pertains to the atomic energy program. Likewise, it cannot be concluded that all atomic energy activities were financed under the residual subcategory before 1955, in view of the stability of expenditures in this subcategory during 1951-54, a period when the total Soviet atomic energy program was presumably expanding.

In the 1956 budget, unspecified items in the "Financing the National Economy" category increased by about 20 billion rubles, compared with 1955. There is, however, no corresponding decline in any other item and, specifically, no evidence of a "shift" back to the residual subcategory from the heavy industry subcategory. Instead, it appears possible that the increase in unspecified allocations may be due to a change in accounting practices for tax rebates to agricultural procurement organizations. This possibility is suggested by parallel changes in planned turnover tax collections. Analysis of the 1956 budget, therefore, furnishes no new clues concerning the magnitude or direction of the Soviet atomic energy program.

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